

Message Text

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ACTION L-03

INFO OCT-01 EUR-25 IO-14 ISO-00 SS-20 H-03 NSC-07 STR-08

PA-04 PRS-01 USIA-15 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

SP-03 CIEP-02 LAB-06 SIL-01 OMB-01 FTC-01 CEA-02

DRC-01 EUR-00 (ISO) W

----- 085136

R 191708Z APR 74

FM AMEMBASSY BONN

TO SECSTATE WASHDC 1886

INFO AMCONSUL BREMEN

AMCONSUL DUSSELDORF

AMCONSUL FRANKFURT

AMCONSUL HAMBURG

AMCONSUL MUNICH

AMCONSUL STUTTGART

USMISSION BERLIN

USMISSION EC BRUSSELS

USMISSION GENEVA

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E.O. 11652: N/A

TAGS: ELAB, GW

SUBJECT: DGB CHARGES THE AMERICAN CHAMBER OF COMMERCE
IN GERMANY WITH INTERFERENCE IN FRG INTERNAL AFFAIRS.

REF: BONN 03610

1. ON MARCH 12, THE AMERICAN CHAMBER OF COMMERCE IN
GERMANY RELEASED A PRESS STATEMENT ON THE PROPOSED BILL
ON CODETERMINATION SAYING THAT THERE WAS A GREAT
POSSIBILITY THAT THE BILL WOULD CONTRAVENE DIFFERENT
INTERNATIONAL TREATIES TO WHICH THE FRG IS A PARTY.

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THE STATEMENT ALSO REPORTED THAT THE CHAMBER HAD RE-

TAINED A GROUP OF EXPERTS TO STUDY THE BILL FURTHER.

2. AT THE ANNUAL MEETING OF THE CHAMBER IN BERLIN ON MARCH 29, CHAMBER PRESIDENT OTTO SCHOEPPLER SAID IN A DISCUSSION THAT IF THE PROPOSED BILL BECAME LAW, THERE MIGHT BE A REDUCTION OF FOREIGN INVESTMENT IN THE FRG.

3. ON APRIL 8, THE DGB ISSUED THE FOLLOWING PRESS RELEASE: QUOTE DGB REJECTS PRESUMPTION OF AMERICAN CHAMBER OF COMMERCE. THE THREAT BY THE AMERICAN CHAMBER OF COMMERCE THAT AMERICAN CAPITAL WOULD BE WITHDRAWN, AND THAT THE AMERICAN GOVERNMENT WOULD BE URGED TO INTERVENE POLITICALLY IN CASE OF AN INTRODUCTION OF CODETERMINATION IN THE FRG WAS MOST SHARPLY REPUDIATED BY THE GERMAN TRADE UNION FEDERATION AS MASSIVE INTERFERENCE IN THE INTERNAL AFFAIRS OF THE FRG. THE GERMAN TRADE UNION FEDERATION WARNED THE REPRESENTATIVES OF THE AMERICAN CHAMBER OF COMMERCE EMPHATICALLY AGAINST A CONTINUATION IN EUROPE OF A POLICY PURSUED BY U.S. TRUSTS IN SOME SOUTH AMERICAN COUNTRIES. UNQUOTE.

4. IN A TELEPHONE INTERVIEW WITH THE BONN NEWSPAPER "GENERAL ANZEIGER" IN WHICH HE REPEATED THE CHAMBER'S OPPOSITION TO THE PROPOSED BILL ON GROUNDS THAT A FIRM OPERATING UNDER THE PROPOSED LEGISLATION WOULD BE UNABLE TO ACT QUICKLY AND DECISIVELY, SCHOEPPLER ALSO POINTED OUT THAT CODETERMINATION MAY HAVE A NEGATIVE IMPACT ON FUTURE INVESTMENT IN THE FRG BY US FIRMS. BUT HE DENIED SAYING THAT CODETERMINATION WOULD CAUSE FOREIGN FIRMS TO WITHDRAW CAPITAL FROM THE FRG. HE ALSO DENIED THAT THE CHAMBER HAD ANY INTENTION OF URGING THE US GOVERNMENT TO INTERVENE POLITICALLY. SCHOEPPLER SAID EVEN SHOULD A LEGAL EXAMINATION OF THE PROPOSED BILL SHOW IT CONTRAVENING TREATIES BETWEEN THE US AND THE FRG, QUOTE WE WOULD NOT HAVE AN INSTRUMENT TO REQUEST ACTION BY THE US GOVERNMENT. UNQUOTE. HE CONTINUED SAYING QUOTE WE VIEW THIS (ISSUE) UNDER PURELY ECONOMIC ASPECTS AND NOT FROM THE GERMAN POLITICAL ANGLE. THESE ARE TWO COMPLETELY SEPARATE THINGS. WE DON'T WISH TO INTERFERE WITH GERMAN - LIMITED OFFICIAL USE

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FM AMEMBASSY BONN

TO SECSTATE WASHDC 1887

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POLITICS. UNQUOTE.

5. IN A CONVERSATION WITH THE CHAMBER WE HAVE BEEN UN-
ABLE TO CONFIRM THE ACCURACY OF THESE STATEMENTS, SINCE
SCHOEPPLE IS IN THE US.

6. ON THE SAME DAY, THE CHAMBER ALSO DECLARED THAT AT
NO TIME HAD IT THREATENED THE WITHDRAWAL OF US CAPITAL
SHOULD THE CODETERMINATION BILL BECOME LAW, BUT IT
NOTED THAT MILAN F. ONDRUS, THE RETIRED PRESIDENT OF
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THE CHAMBER, AT THE END OF MARCH HAD VOICED THE FEAR THAT PART OF THE CONTEMPLATED US INVESTMENTS ESTIMATED AT \$1.7 BILLION IN 1974 WOULD BE WITHHELD BECAUSE OF THE PROPOSED INTRODUCTION OF PARITY CODETERMINATION.

7. THE CHAMBER DREW ADDITIONAL FIRE FROM THE FRG PARLIAMENTARY STATE SECRETARY OF THE MINISTRY FOR ECONOMIC COOPERATION, HANS MATTHOEFER (SPD), WHO ALSO ACCUSED THE CHAMBER OF MIXING IN THE INTERNAL AFFAIRS OF THE FRG. MATTHOEFER ALSO OPINED THAT MITBESTIMMUNG WOULD BENEFIT US FIRMS OPERATING IN THE FRG BY CONTRIBUTING TO THE AVOIDANCE OF STRIKES CLAIMING THAT MAN-HOURS LOSS THROUGH STRIKES IS 30 TO 40 TIMES HIGHER IN THE US THAN IN THE FRG.

8. COMMENT. ALL PARTIES WITH A DIRECT INTEREST IN THE CODETERMINATION BILL CONTINUE TO TRY TO BUILD PUBLIC AND LEGISLATIVE SUPPORT FOR THEIR VARIOUS POINTS OF VIEW. THE BILL IS NOW BEFORE THE BUNDESTAG, BUT HEARINGS HAVE NOT BEGUN AND THE INTERESTED GROUPS HAVE NOT HAD THE OPPORTUNITY TO OFFER NEW PROPOSALS TO THE LEGISLATIVE BRANCH. IN THE MEANTIME, THE STRUGGLE FOR PUBLIC SUPPORT CONTINUES. END COMMENT.
HILLENBRAND

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